

U. S. Department of Housing and Urban Development (HUD) and City of Phoenix Neighborhood Stabilization Program (NSP)

Neighborhood Stabilization Program (NSP) funds are helping communities hardest hit by foreclosures put foreclosed and abandoned properties back into productive use.

In 2009, the city of Phoenix received \$39.4 million in HUD Neighborhood Stabilization Program (NSP1) grant funds from the Housing and Economic Recovery Act of 2008 (HERA) and in February, 2010, received \$60 million in additional Neighborhood Stabilization Program (NSP2) funds under the American Recovery and Reinvestment Act (ARRA). Funding from these two grants is expected to address at least 1,500 single- and multi-family properties in Phoenix.

- NSP1 dollars are being used in Phoenix to:
 - offer incentives for homebuyers, prepared for responsible homeownership by HUD-approved counselors, to purchase a foreclosed home of their choice anywhere in Phoenix or to select a home purchased, refurbished and offered for sale by an NSP developer in targeted neighborhoods.
 - purchase and rehabilitate foreclosed multi-family complexes to provide affordable housing for households at or below 50 percent of the area median income.
 - purchase blighted foreclosed/abandoned properties to demolish and redevelop in targeted areas.
- Outcomes to date include:
 - 172 homebuyers have purchased or contracted to purchase foreclosed houses to use as their family residence, using NSP homeownership purchase assistance loans.
 - 124 foreclosed homes have been purchased by NSP developer partners for rehab and resale to eligible buyers.
 - 4 multi-family properties have been purchased that will be rehabilitated and provide more than 700 affordable rental units for households at or below 50 percent of the area median income.
 - 16 blighted properties – including the blighted, 52-unit multi-family Sunset Manor complex – have been purchased for demolition and redevelopment to revitalize and stabilize target neighborhoods.
- NSP homebuyer programs available:

Interested homebuyers who meet program eligibility requirements receive a \$15,000 zero-interest, deferred-payment loan to use toward the purchase of a foreclosed home. Options for homebuyers are:

 1. Move-in Ready (MIR) Program
13 newly remodeled homes now available: Provides homebuyers the opportunity to purchase newly remodeled homes for sale by NSP developer partners. Improvements meet housing quality standards, have enhanced curb appeal and are energy efficient. To see a list of homes and program information: visit phoenix.gov/nsphome, call 602-262-6602 or e-mail info@nspphoenix.gov
 2. Home Improvement Program (HIP)
Buyer-driven program will provide an additional incentive of up to \$40,000 in rehabilitation improvements (ala HUD 203k loan), depending on the condition of the foreclosed home, to use with the \$15,000 for purchase assistance.
- NSP2 funds will be used to expand on the efforts above, including innovative subdivision strategies and collaborations with other Valley cities on complementary multi-family rental projects.